

SENATE BILL REPORT

SJR 8215

As Reported by Senate Committee On:
Ways & Means, March 3, 2016

Brief Description: Requiring voter approval for any action or combination of actions by the legislature that raises taxes.

Sponsors: Senators Braun, Benton, Rivers, Angel, Becker, Roach, Schoesler, Bailey, Brown, Miloscia, Warnick, Honeyford, Dammeier, Fain, O'Ban, Sheldon, Parlette and Hewitt.

Brief History:

Committee Activity: Ways & Means: 2/23/16, 3/03/16 [DP, DNP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Bailey, Becker, Brown, Hewitt, O'Ban, Padden, Parlette, Schoesler and Warnick.

Minority Report: Do not pass.

Signed by Senators Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Conway, Darneille, Hasegawa, Nelson and Pedersen.

Minority Report: That it be referred without recommendation.

Signed by Senators Billig and Rolfes.

Staff: Steve Jones (786-7440)

Background: Initiative 601, enacted by the voters in 1993, required a two-thirds vote of both houses of the Legislature for any action that raised state taxes. Initiative 960, enacted in 2007, reinstated this supermajority vote requirement for tax increases not approved by referendum to the voters. Initiative 1053, adopted by the voters in 2010, reinstated the requirement that a two-thirds majority is required to raise taxes. Initiative 1185, approved by the voters in 2012, also included the two-thirds supermajority vote requirement for legislative actions which raise taxes.

The Legislature temporarily suspended the supermajority vote requirement to raise taxes in 2002, 2005, and 2010.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The statutory supermajority vote requirement for tax increases was declared unconstitutional in a 2013 decision by the state Supreme Court, *League of Education Voters v. State* (176 Wn.2d 808), which held that a statutory supermajority vote requirement was inconsistent with the provisions of the State Constitution that require a majority vote of each house of the Legislature to enact legislation.

Summary of Bill: The state Constitution is amended to require referral to the voters for any legislative action that raises taxes unless:

1. The action receives a three-fifths vote of both houses of the Legislature;
2. The action raises taxes, for a period of twelve months or less, in response to a catastrophic event that necessitates government action to protect life or public safety, following a declaration of emergency by the Governor; or
3. The action modifies or terminates a tax preference that has been examined by a commission established by statute to review tax preferences, and the commission has not recommended continuation of the tax preference.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The constitutional amendment takes effect upon approval and ratification at the next general election.

Staff Summary of Public Testimony: PRO: During recent legislative debates on proposals for supermajority votes on tax increases, it became apparent that there was a need for a more focused measure that takes a middle ground on this issue. This is a more thoughtful proposal to better align the tax provisions of the state Constitution with other fiscal provisions. The state Constitution has more than 20 provisions requiring supermajority actions of the Legislature. Seventeen states have similar tax protections in their constitutions. Polls show that voters want this constitutional protection. Two modifications to the measure are suggested: (1) the exception for tax preferences should refer to JLARC instead of the tax preference commission, and (2) the exception should apply only if the tax preference is recommended for termination.

Persons Testifying: PRO: Sen. Braun, Prime Sponsor; Jason Mercier, WA Policy Center; Eric Lohnes, Assoc. of WA Business.

Persons Signed In To Testify But Not Testifying: No one.